

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 TRSE-00 EB-07 STR-04 AID-05 CEA-01
CIAE-00 COME-00 EA-07 FRB-03 INR-07 IO-13 NEA-10
NSAE-00 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01
AGRE-00 OMB-01 USIE-00 SSO-00 INRE-00 L-03 NSC-05
NSCE-00 /091 R

DRAFTED BY EUR/RPE:EACASEY:CC

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TREASURY:WBARREDA

EB/OT:WBARRACLOUGH

STR:GFEKETEKUTY

STR:RSTRAUSS (SUBS)

-----092215Z 102822 /64

O 092145Z MAY 77

FM SECSTATE WASHDC

TO USMISSION OECD PARIS IMMEDIATE

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FOR UNDER SECRETARY COOPER

E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: XCSS - TRADE PLEDGE DISCUSSION

1. OUR PRIMARY OBJECTIVE IN PROPOSING COMMENTARY TO ACCOMPANY RENEWED TRADE PLEDGE IS TO ESTABLISH THAT UNDERLYING RATIONALE FOR PLEDGE IS INTERRELATIONSHIP OF OECD ECONOMIES NOT (AS IN CURRENT PLEDGE) OIL RELATED BALANCE OF PAYMENTS PROBLEMS. WE WOULD ALSO LIKE TO INTRODUCE CONCEPT OF MEMBER COUNTRIES OBLIGATION TO DEVELOP MULTILATERALLY ACCEPTED SOLUTIONS TO DIFFICULT SECTORAL

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PROBLEMS. IN OUR VIEW THIS MEANS A) AVOIDING PROTECTIONISM B) FACILITATING DOMESTIC ADJUSTMENT IN AFFECTED SECTORS AND C) TAKING OTHER COUNTRIES INTERESTS INTO ACCOUNT WHEN SOME PROTECTIONIST ACTION IS UNAVOIDABLE.

2. WE RECOGNIZE THE DANGER THAT PROPOSING A FRESH COMMENTARY WILL OPEN THE DOOR TO PRESSURES BY SOME

MEMBER STATES TO ERODE THE PLEDGE COMMITMENT WITH QUALIFYING REMARKS. WE BELIEVE, HOWEVER, THAT NOTHING WOULD BE LOST IN TESTING THE WATER. IF SENTIMENT IS INDEED STRONG TO APPEND A SERIES OF EXCEPTIONS OR PROTECTIONIST INTERPRETATIONS TO THE PLEDGE, THE EFFORT TO NEGOTIATE A COMMENTARY CAN BE ABANDONED AND WE CAN FALL BACK ON

SIMPLE RENEWAL, HOPEFULLY ACCCOMPANIED BY ACCEPTABLE COMMUNIQUE LANGUAGE.

3. WE DO NOT EXPECT AGREEMENT TO BE REACHED AT XCSS ON WHETHER OR NOT TO INCLUDE A NEW COMMENTARY. HOWEVER, FLOATING THE IDEA THERE WILL GIVE US THE OPPORTUNITY TO FOLLOW UP OVER THE NEXT TWO WEEKS AND HAVE A REASONABLY PRECISE NOTION OF THE VIEWS OF OTHER COUNTRIES IN TIME FOR THE MAY 23-24 TRADE COMMITTEE MEETING WHEN THE IDEA COULD EITHER BE FLESHED OUT OR KILLED.

4. STR STRAUSS ADVISES, HIS BEST JUDGMENT IS, IN LIGHT PRESIDENT'S STRONG STANCE AT LONDON SUMMIT WE SHOULD REMAIN FIRM IN PARIS FOR STRONG IMPROVED PLEDGE IF AT ALL POSSIBLE. HE WILL DISCUSS ISSUE WITH YOU FURTHER, IF YOU DESIRE, IN LIGHT OF DEVELOPMENTS AT XCSS. CHRISTOPHER

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Message Attributes

Automatic Decaptoning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE AGREEMENTS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-May-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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Litigation History:
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